

CtW Investment Group

November 7, 2007

Harley W. Snyder
Lead Director
c/o Corporate Secretary
Countrywide Financial Corporation
4500 Park Granada, MS CH-11B
Calabasas, California 91302

Dear Mr. Snyder:

Last week's disclosure that Countrywide has granted extensions on stock options to eight senior executives is the Board's latest failed response to the Company's ongoing crisis. Rather than reassuring shareholders by removing Angelo Mozilo as Chairman and CEO – as we requested in an October 19 letter to you – this latest pay-for-failure scheme only reinforces concerns that you are incapable of providing the independent leadership Countrywide so desperately needs.

Given your central role in creating compensation policies that fail to align executive and shareholder interests, your own divestment of over three-quarters of your stake at or near the peak of the housing bubble, and your failure so far to fully respond to mounting concerns about the company's direction, we call on you to immediately resign as Lead Director and Chairman of the Compensation Committee.

We further detail our concerns below.

As Chair of the Compensation Committee, You Bear Central Responsibility for Countrywide's Egregious Executive Compensation

In our earlier letter, we noted that Mr. Mozilo's compensation in past years substantially exceeded that of CEO's at much larger financial institutions such as Bank of America, Citigroup, and J.P. Morgan Chase. Indeed, Mozilo's 2006 compensation – a whopping \$120 million – was the highest among all financial firms in the S&P 500 index, according to the Wall Street Journal.

You bear central responsibility for these developments given your role as Compensation Committee Chair from 1999 to 2007 (excepting 2005). Indeed, we were shocked to learn that the board fired compensation consultants Pear Meyer & Partners in 2004 rather than follow their advice and cut Mozilo's pay. While Mozilo and others have historically defended such compensation by citing the company's value creation, it now appears that Countrywide's share price performance during the housing boom resulted from the risky and improper lending practices that have now caused Countrywide's meltdown.

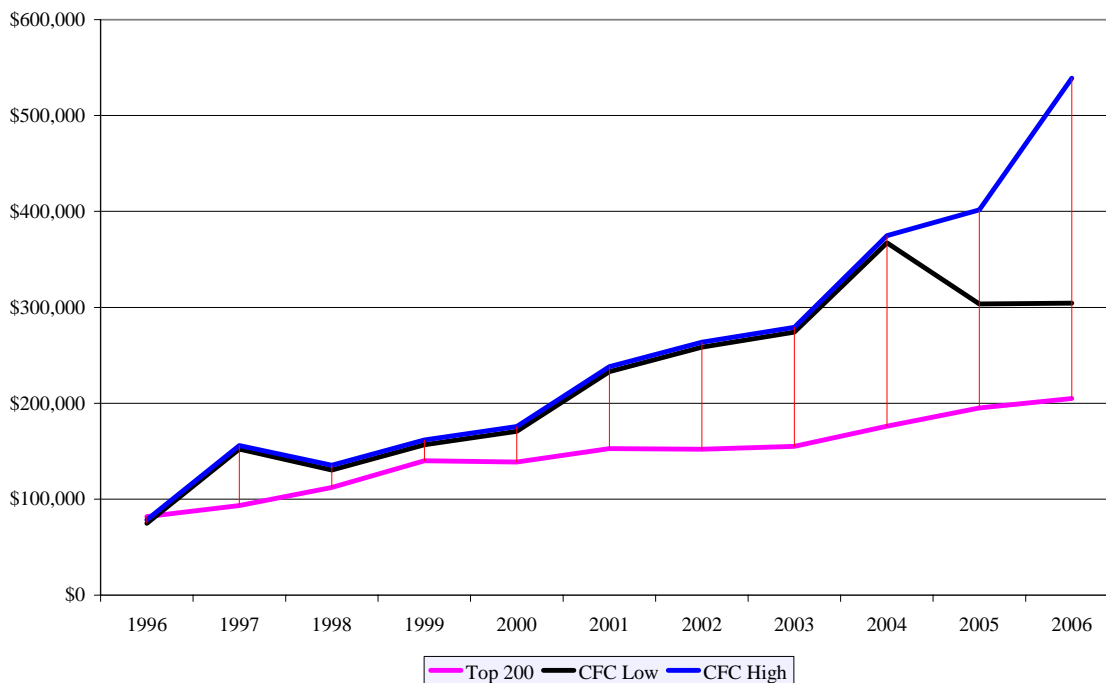
Furthermore, in the months before those practices came to light, you apparently did nothing to prevent Mozilo and COO (and newly appointed director) David Sambol from selling vast quantities of company stock shortly before the share price plunged – in Mozilo's case by adopting and amending two different 10b5-1 plans. While your position as Compensation Committee Chair empowers you to question the wisdom and necessity of multiple 10b5-1 plans

– and to raise concerns about the negative signals sent by such insider divestment – Mr. Mozilo’s sales continued unabated, leading us to believe that you did not do so.

Excessive Director Pay Weakens Independence

We suspect that your failure to question Mozilo relates to the very generous and rapidly growing pay packages that your Committee has granted Countrywide directors over the past decade. We’ve examined Countrywide’s proxy statements from 1996 through 2007 to determine director compensation, then compared those figures to the median for the top 200 firms in Pearl Meyer & Partners’ annual survey. Figure 1 illustrates the sharp increase in director compensation at Countrywide since 1996, as compared to the median in Pearl Meyer & Partners survey:

Figure 1: Countrywide Director Pay vs. Top 200



We find little evidence that the Board has attempted to align executive pay with actual share price or operating performance or benchmark to peers of comparable market capitalization. Since 1996, when Countrywide paid its directors closer to the median for very large companies, director pay at the company has skyrocketed, with total compensation ranging from \$344,988 to \$538,824 last year (including compensation for directorships of Countrywide Bank. Countrywide even grants its nonemployee directors perks including spousal travel and health insurance, as the Wall Street Journal noted on Saturday.

This excessive pay is especially problematic given the Board’s systematic failure over the past several years to ensure that Countrywide remained in full legal and regulatory compliance and capable of creating long-term value for shareholders. Current and historic director pay is both unjustified and a likely source of the board’s passivity in the face of the company’s current crisis.

Mr. Harley W. Snyder

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Insider Selling Indicates Board Not Aligned With Shareholders

Nor were Mozilo and Sambol the only ones divesting: as the real estate bubble peaked, Countrywide's independent directors unloaded hundreds of thousands of shares at or near the Company's historic high. Since March 2006, Countrywide directors have sold over 626,000 shares for total proceeds of over \$24 million. You yourself sold 190,000 shares – or 77% of all your holdings as of the beginning of 2006 – netting over \$7.2 million.

We note that over half of the shares you divested in the past 18 months were sold pursuant to a 10b5-1 plan you adopted on June 7, 2005 and then amended on December 20, 2005. The similar scope of your divestment compared to Mr. Mozilo's – as well as your establishment and subsequent amendment of a 10b5-1 plan, just like Mr. Mozilo – leaves us concerned that your ability to confront Mr. Mozilo on these matters is severely compromised.

Finally, according to a recently filed lawsuit, many of these sales took place during share repurchase programs that bought back \$2.4 billion in company stock. If these programs artificially inflated the stock price, such massive insider sales violate shareholders' trust.

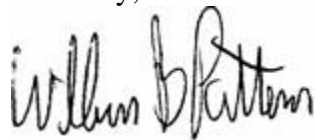
Summary

During your 16-year tenure, you have failed to use your designated positions on the Board to hold Countrywide executives accountable to shareholders. Your excessive compensation, together with your aggressive divestment of your own Countrywide stock at the peak of the housing bubble, militates powerfully against any inclination you might have to lead your fellow independent directors or hold Mr. Mozilo accountable.

You also have not yet responded to our October 19 letter requesting Mr. Mozilo's resignation, instead allowing Susan Bow, Countrywide's General Counsel and Corporate Secretary, to respond obliquely via cc on a letter sent to another concerned investor. Ms. Bow, while rightly opening the door to shareholder involvement in choosing recently-departed director Henry Cisneros' successor, wholly failed to engage with the issues of egregious compensation, widespread non-compliance, and board oversight failures outlined in our earlier letters.

We look forward to your prompt response.

Sincerely,



William Patterson
Executive Director

CC: Board of Directors